

Message Text

CONFIDENTIAL

PAGE 01 JAKART 12302 120555Z
ACTION EB-08

INFO OCT-01 EA-10 ISO-00 XMB-02 COME-00 TRSE-00 OMB-01
AID-05 FRB-03 SS-15 NSC-05 CIAE-00 DODE-00 INR-10
NSAE-00 PA-01 ICA-11 SP-02 /074 W
-----084714 121516Z /64
R 120502Z SEP 78
FM AMEMBASSY JAKARTA
TO SECSTATE WASHDC 1359

C O N F I D E N T I A L JAKARTA 12302

PASS EXIMBANK

E.O. 11652: GDS
TAGS: EAIR, EFIN, ID
SUBJECT: LOCKHEED L-100 SALE

REF: JAKARTA 12132

1. LOCAL LOCKHEED AGENT (SOELARTO, AVIATION DEVELOPMENT CORP.-ADEVCO) TOLD US SEPTEMBER 8 THAT HE HAD DISCUSSED PROSPECTIVE AIRCRAFT PURCHASE FOR TRANSMIGRATION PROJECT WITH PRESIDENT SUHARTO DURING LEBARAN HOLIDAYS. ACCORDING TO SOELARTO, PRESIDENT SAID THAT TRANSPORTATION OF TRANSMIGRANTS WOULD BE BY COMBINATION OF SHIP AND AIRCRAFT WITH EXACT MIX OF THE TWO MODES STILL TO BE DETERMINED. (APPARENTLY MUCH WILL DEPEND ON HOW EFFECTIVE AIRCRAFT PROVES TO BE BOTH IN TRANSPORTING MIGRANTS AND IN OTHER USES.) PRESIDENT REPORTEDLY SUGGESTED THAT LOCKHEED MAKE OFFER IN TWO PARTS, ONE QUOTING PRICE AND AVAILABILITY AND THE OTHER DESCRIBING FINANCING PACKAGE. ACCORDING TO SOELARTO, DECISION CONCERNING INTENDED USE OF AIRCRAFT IN TRANSMIGRATION PROGRAM IS BEING CLOSELY HELD BECAUSE OF EXPECTED OPPOSITION FROM SHIPPING INTERESTS.

2. SOELARTO WAS FAMILIAR WITH EARLIER OFFER TO GOI OF
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 JAKART 12302 120555Z

SECOND-HAND L-100 DASH 20S AND SAID HE ASSUMED FRENCH PROPOSAL DESCRIBED STATE 221640 REPRESENTED MERGING OF FORCES BETWEEN TRANSALL INTERESTS AND USED AIRCRAFT SUPPLIER TO TRY TO HEAD-OFF LOCKHEED SALE. NOTWITHSTANDING TRANSALL'S PRICING AND DELIVERY DISADVANTAGES, SOELARTO STILL REGARDS TRANSALL AS SERIOUS COMPETITOR FOR L-100-30. NONETHELESS, HE DID NOT APPEAR UNDULY

CONCERNED ABOUT REPORTED OFFER OF USED L-100S AND TRANSALLS, APPARENTLY BECAUSE HE DOES NOT BELIEVE GOI IS IN MARKET FOR USED AIRCRAFT FOR THIS PROJECT. HE SAID HE WOULD TRY TO FIND OUT AND LET US KNOW SERIAL NUMBERS OF ANY USED L-100S THAT MAY HAVE BEEN OFFERED TO GOI.

3. SOELARTO WAS NOT AWARE OF ANY FINANCING PROPOSAL BY FRENCH OTHER THAN VAGUE, GENERAL STATEMENTS TO GOI OFFICIALS TO EFFECT THAT TERMS WOULD BE "VERY FAVORABLE". (PROMINENT INDONESIAN FIRMS, SUCH AS SOELARTO'S, NORMALLY HAVE RANGE OF CONTACTS WITHIN GOI SUCH THAT THEY WOULD QUICKLY LEARN TERMS OF COMPETITORS' PROPOSALS.) WE WILL CONTINUE TO FOLLOW THIS CLOSELY AND REPORT ANY DEVELOPMENTS.

4. FOR EXIMBANK: BECAUSE OF PECULIARITIES OF THIS PROJECT AND MANNER IN WHICH DECISION APPARENTLY TAKEN TO BUY AIRCRAFT, WE ARE NOT CERTAIN WHETHER MINISTRY OF FINANCE WILL REPLY TO EXIM'S TELEX ASKING WHETHER PROJECT HAS GOI APPROVAL. HOWEVER, IN ORDER TO ASSIST LOCKHEED IN FORTHCOMING DISCUSSIONS WITH GOI WE WOULD SUGGEST THAT EXIM, IF PROJECT MEETS OTHER CRITERIA, OFFER FINANCING FOR LOCKHEED SALE.
MASTERS

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, AIRCRAFT
Control Number: n/a
Copy: SINGLE
Draft Date: 12 sep 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978JAKART12302
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780370-0824
Format: TEL
From: JAKARTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780978/aaaacmcp.tel
Line Count: 86
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 70e15b52-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 JAKARTA 12132
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 02 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1471733
Secure: OPEN
Status: NATIVE
Subject: LOCKHEED L-100 SALE
TAGS: EAIR, EFIN, ID, LOCKHEED
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/70e15b52-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014